

H-3104-1 - BONDS

Bond of Oil and Gas Lease Operator
Form 3104-2 (October 1975 Edition)

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(October 1975)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BOND OF OIL AND GAS LEASE OPERATOR

Bond Number _____

Serial Number _____

Operating agreement approved (date) _____

KNOW ALL MEN BY THESE PRESENTS, That we,

_____, as principal,

and

_____, as surety, are

held and firmly bound unto the United States of America, in the sum of _____ dollars (\$ _____) lawful money of the United States, for the use and benefit of (1) the United States; (2) any owner of a portion of the land in the lease bearing the above serial number who holds his land subject to a reservation of the oil and gas deposits to the United States; and (3) any lessee or permittee under a lease or permit issued, or to be issued, by the United States covering the use of the surface or the prospecting for, development of, other mineral deposits in any portion of such land, to be paid to the United States. For such payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators, successors, and assigns, jointly and severally, by these presents.

The condition of the foregoing obligation is such that

WHEREAS, by lease bearing the above serial number, the lessee was granted the exclusive right to drill for, mine, extract, remove, and dispose of all the oil and gas deposits in or under the leased lands, under and pursuant to the provisions of the Mineral Leasing Act of February 25, 1920 (40 Stat. 437), as amended; or Act of August 7, 1947 (61 Stat. 913), as amended; and the regulations thereunder as contained in 43 CFR Part 3100 and 30 CFR Parts 221 and 226.

WHEREAS, said lessee has, by virtue of the lease above referred to, entered into certain covenants and agreements set forth in such lease, under which operations are to be conducted; and

WHEREAS, by operating agreement approved by the Bureau of Land Management on the above date, the principal herein has been designated as "operator" with respect to all or part of the leased lands; and

WHEREAS, the said principal in consideration of being permitted, in lieu of the lessee, to furnish this bond agrees and by these presents does hereby bind himself to fulfill on behalf of the lessee all of the obligations of the said lease in the same manner and to the same extent as though he were the lessee; and

WHEREAS, the surety waives any right to notice of, and agrees that this bond shall remain in full force and

effect, notwithstanding any assignment or assignments by the operator/principal of an undivided interest in any operating agreement or operating rights covered by this bond, in which event the assignee or assignees shall be considered to be a coprincipal or copincipals on this bond as fully and to the same extent as though his or their duly authenticated signatures appeared thereon.

NOW, THEREFORE, If said principal shall in all respects faithfully comply with all of the provisions of the above-described lease, then this obligation shall be void, otherwise to remain in full force and effect.

It is understood and agreed that this bond is being furnished in contemplation of drilling operations to be performed by the said principal on the lands in the above-described lease. It is also understood and agreed that the neglect or forbearance of said lessor in enforcing, as against the above-named lessee, the payment of rentals or royalties or the performance of any other covenant, condition, or agreement of the above-described lease, shall not, in any way, release the principal and surety, or either of them, from any liability under this bond; and, it is further understood and agreed that, in the event of any default under the above-described lease, the lessor may commence and prosecute any claim, suit, action, or other proceeding against the principal and surety, or either of them, without the necessity of joining the above-named lessee.

Signed on this _____ day of _____, 19____, in the presence of:

NAMES AND ADDRESSES OF WITNESSES

(Signature)

(Address)

(Signature)

(Address)

(Signature)

(Address)

(Signature)

(Signature of Principal)

(Business Address)

(Signature of Surety)

(Business Address)

By _____